



# HIPAA Update

*Health Insurance Portability and Accountability Act*

**Kathryn P. Jett**  
Director

**Michael Cunningham**  
Acting Deputy Director  
Program Operations  
Division

## ADP HIPAA Branch Staff:

**Marjorie McKisson**  
Manager, HIPAA Branch  
(916) 327-4178

**Linda Bunker**  
Advisor, Information  
Management Services  
(916) 327-7471

**Karen Redman**  
Privacy Officer  
(916) 323-7836

**Helen Novak**  
Information Security  
Officer  
(916) 323-9832

**Ruby Smith**  
Administrative Analyst  
(916) 327-2568

**Clyde Steele**  
Analyst  
(916) 323-1874

**Cathy Phoenix**  
Communications Analyst  
(916) 323-2055

**Jeanette Vegas**  
Administrative Staff  
(916) 327-3132

**VOLUME 2 ISSUE 1**

**August 2004**

## ADP SEEKS INPUT ON NEW DMC CLAIMS POLICY

ADP is seeking input from the field about proposed business changes to our Drug Medi-Cal (DMC) claims policy. These changes are a response to compliance requirements for the HIPAA Transactions and Code Sets (TCS) Rule. (The TCS deadline was October 16, 2003.)

Recently, counties and direct providers discussed proposed policy changes during two conference calls with ADP. One clear message from the participants was the request that ADP set a clear deadline for HIPAA-compliant claims.

The policy changes under consideration are as follows:

- Establish a deadline for submitting HIPAA-compliant claims electronically. The proposed date is July 1, 2005.
- Accept HIPAA-compliant DMC claims in electronic format only. Paper claims would be accepted only during pre-defined emergencies, such as power failure or computer system failure.
- Examine the feasibility of discontinuing the Error Correction Report

process—claims would either be approved or denied. Denied claims could be resubmitted after correction.

If you have comments or suggestions about these proposed changes—or about any additional issues related to improving the DMC claims process—please send them no later than September 15 to Cathy Phoenix at [cphoenix@adp.state.ca.us](mailto:cphoenix@adp.state.ca.us) or 916-323-2055.

## TECH TIPS—CLAIM FORMS & DATA ELEMENTS

There have been some recent questions regarding the data element BHT04 (Transaction Set Creation Date) in HIPAA compliant DMC claims. ADP had previously used the Short-Doyle Medi-Cal (SDMC) field "Date Claim Submitted For (Cols 15-20)" to generate batch numbers in electronic DMC proprietary claims. ADP also required that the DMC data field "Year/Month The Service is Provided For (Cols 79-84)" be the same as the "Date Claim Submitted For" field in all proprietary claims.

The same requirement exists for the claims submitted in the HIPAA format. The 837P HIPAA transaction mapping document indicates that the

BHT04 date is mapped to the SDMC field "Date Claim Submitted For (Cols 15-20)." Thus the BHT04 date is required to be the same as the DTP (Date-Service Date).

Although it was suggested that the same month and year be used for BHT04 as for service dates in the transaction set, this would be a direct violation of HIPAA guidelines and result in the submission of 837P non-compliant transactions. Thus, ADP will no longer map the BHT04 Date to the SDMC field "Date Claim Submitted For." Instead this SDMC field will now contain the year and month of the services within the transaction set.

The HIPAA translator ensures that all the services within the transaction are for the same service month and year. If a common service month and year are found on all the service lines, then the same month/year is also used for the "Date Claim Submitted For" data field. If service lines from multiple years/months are placed in a transaction, the translator will reject it and an error message will be displayed on the Information Technology Web Services (ITWS) Processing Status page.

~~~~~

For additional info, consult the *HIPAA Companion Guide*, [www.adp.ca.gov/hp/hipaa.shtml](http://www.adp.ca.gov/hp/hipaa.shtml)

## PRIVACY CORNER

### CALIFORNIA LAW ON SSN CONFIDENTIALITY

#### Did you know?

*The California Civil Code in Section 56.11 requires that an authorization for the release of medical information must be handwritten by the person signing or in a typeface no smaller than 14-point type.*

The federal government created the Social Security Number (SSN) in 1936 to track workers' earnings and eligibility for retirement benefits. Today, it is used in both the public and private sectors in a myriad of ways totally unrelated to its original purpose. As a unique individual identifier that does not change, the SSN is very useful in record management. However, the broad use and public exposure of SSNs has

contributed to the tremendous growth of identity theft and other forms of fraud. This has led California to adopt a law limiting the use and display of SSNs. The law (in Civil Code Sections 1798.85-1798.86 and 1786.60) prohibits individuals and non-governmental entities from posting or publicly displaying SSNs and from printing SSNs on identification cards or badges.

For complete information, see Recommended Practices for Protecting the Confidentiality of Social Security Numbers by the Office of Privacy Protection, available on the internet at <http://www.privacy.ca.gov/recommendations/ssnrecommendations.pdf>.



### FAQs from CENTERS FOR MEDICARE & MEDICAID SERVICES

A rich source of nuts-and-bolts HIPAA information is the FAQs section of the web site of the Centers for Medicare & Medicaid Services (CMS), <http://www.cms.hhs.gov>. Its well-organized search function quickly sifts through hundreds of FAQs to lead you to answers you're seeking. From time to time you will see reprints of CMS FAQs in this space.

The following is a FAQ to CMS from a provider about whether reverting to paper claim billing can remove the obligation to comply with HIPAA rules. Although this question was posed to CMS prior to April 14, 2003 (the Privacy implementation deadline), the crux of the answer applies to all HIPAA rules.

<<I'm a provider who bills electronically. Do I have to implement the HIPAA Privacy Rule if I go back to submitting claims on paper?

As a provider who bills electronically, you will be

required to comply with the HIPAA requirements of the Privacy Rule by April 14, 2003, unless, before that date, you stop conducting any of the HIPAA transactions electronically. The HIPAA transactions commonly used by providers include claims, eligibility queries, claim status queries, and referrals. It is important to note that you cannot avoid the HIPAA requirements by hiring another entity, such as a billing service, to conduct these transactions electronically for you.

While you and other health care providers could revert to conducting solely paper transactions, doing so would have many negative effects for most providers. The provider's business processes would be disrupted by having to prepare paper

claims and check eligibility and claim status by phone.

Reverting to paper would cause particular problems for those providers who receive Medicare payments. First, these providers would experience delays in receiving payments, because Medicare by law cannot pay paper claims until 28 days after receipt (as opposed to 14 days for electronic claims).

Second, effective October 16, 2003, Medicare is prohibited by law from paying paper claims except for those from small providers and under certain other limited circumstances. After that date, any provider that does not meet the "small provider" or other exception would have to return to electronic claims submission in order to continue to receive Medicare reimbursement. At that time, the provider would again be required to comply with the Privacy Rule requirements.>>

#### HIPAA Rule Deadlines:

- **Privacy**  
April 14, 2003
- **Transactions and Code Sets**  
October 16, 2003
- **Security**  
April 21, 2005
- **National Provider Identification**  
May 25, 2007